

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

5. LEASE DESIGNATION AND SERIAL NO.

UT ML-48232**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

1a TYPE OF WORK

DRILL ☒**DEEPEN** ☐**PLUG BACK** ☐

7. UNIT AGREEMENT NAME

B TYPE OF WELL

Oil Well ☐Gas Well ☒

OTHER

Single Zone ☐Multiple Zone ☒

8. FARM OR LEASE NAME

2. Name of Operator

Marathon Oil Company

9. WELL NO.

SITLA #14-23

3. Address of Operator

1501 Stampede Avenue, Cody, WY 82414

10. FIELD OR LEASE NAME

4. Location of Well (Report location clearly and in accordance with any State requirement)

At surface

1,319' FWL, 511' FSL**SW/SW***4512074 N
509813 E*11. Sec., T., R., M., OR BLK
AND SURVEY OR AREA**Sec. 23, T15S, R9E**

At proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

12. COUNTY OR PARISH 13. STATE

Carbon Utah15. Distance from proposed location to nearest
Property or lease line ft.**511'**

16. NO. OF ACRES IN LEASE

88017. NO. OF ACRES ASSIGNED
TO THIS WELL**160**

(Also to nearest drlg. Unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION *
TO NEAREST WELL, DRILLING COMPLETED.

19. PROPOSED DEPTH

20. ROTARY OR CABLE TOOLS

OR APPLIED FOR, ON THIS LEASE, FT.

2,466'**2,577'****Rotary**

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)

5,956' GR

22. APPROX. DATE WORK WILL START

April 15, 2000

23

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11'	8-5/8"	24	300'	To Surface
7-7/8"	5-1/2"	17	T.D.	1,218'

Operator requests permission to drill the subject well.**Please see the attached 10 Point and 13 Point Surface Use Plane.****If you require additional information please contact:**

William Ryan
350 S., 800 E.
Vernal, Utah
435-789-0968

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE

William Ryan

TITLE

Agent

DATE

Jan 15, 2000

(This space for Federal or State Office use)

PERMIT NO.

43-007-30670

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

BRADLEY G. HILL
RECLAMATION SPECIALIST III

DATE

5/15/00***See Instructions on Reverse Side**

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**Federal Approval of this
Action is Necessary**

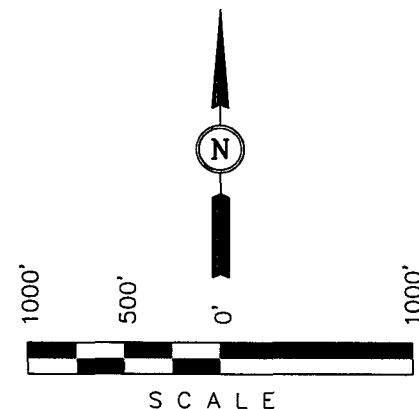
T15S, R9E, S.L.B.&M.

MARATHON OIL CO.

Well location, SITLA #14-23, located as shown in the SW 1/4 SW 1/4 of Section 23, T15S, R9E, S.L.B.&M. Carbon County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE SOUTH 1/4 CORNER OF SECTION 23, T15S, R9E, S.L.B.&M. TAKEN FROM THE POISON SPRING BENCH QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5928 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

Revised: 2-7-00 C.B.T.

UTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-17-99	DATE DRAWN: 1-3-00
PARTY D.K. L.J. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE MARATHON OIL CO.	

S89°57'W - 79.94 (G.L.O.)

N00°20'E - 40.14 (G.L.O.)

N00°10'E - 40.13 (G.L.O.)

1940 Brass Cap
0.7' High, Pile
of Stones

N00°24'E - G.L.O. (Basis of Bearings)
2669.61' (Measured)

1940 Brass Cap
0.4' High, Pile
of Stones

Latitude = 39°30'01"
Longitude = 110°53'07"

LEGEND:

$L = 90^\circ$ SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

SELF-CERTIFICATION STATEMENT


The following self-certification statement is provided per Federal and State of Utah requirements dated June 15, 1988.

Please be advised that Marathon Oil Company is considered to be the operator of the following well.

**SITLA #14-23
SW 1/4, SW 1/4, Section 23, T. 15 S., R. 9 E.
Lease ML-48232
Carbon County, Utah**

Marathon Oil Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

State of Utah Blanket O&G Bond 5217029 and SITLA Bond 5922542 provides state wide bond coverage on State of Utah lands.

A handwritten signature in cursive script, reading "William A. Ryan", is written over a horizontal line.

**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax**



Office (435) 789-0968
Cellular (435) 828-0968

350 S. 800 E.
Vernal, UT 84078

January 15, 2000

Re: Well SITLA #14-23
SW/SW, Sec. 23, T15S, R9E
Lease No. ML-48232

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Dear Sirs:

Marathon Oil Company (Marathon) respectfully requests a spacing exception for the subject well. The well was originally requested for the center of the **SW ¼ of the SW ¼ of Sec. 23, T15S, R9E**. The location was moved due to topographic considerations, erosion potential, major and minor drainage's, access conditions and deer winter range. Please see the attached map for details.

The well is located **511' FSL, 1,319' FWL in Sec. 23, T15S, R9E**.

A 460' radius around the proposed location is within the lease **ML-48232**. Please see the attached plat for details.

If you have additional questions please contact:

A handwritten signature in cursive script that reads "William A. Ryan".

William (Bill) Ryan
Rocky Mountain Consulting
Agent

435-789-0968 Office
435-828-0968 Cellular
435-789-0970 Fax

Ten Point Plan

Marathon Oil Company

SITLA #14-23

Surface Location SW ¼, SW ¼, Section 23, T15S, R9E

1. Surface Formation:

Mancos

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Mancos	Surface	+5,963' KB
Ferron	2,218'	+3,745'
#1 Coal	2,264'	+3,699'
#5 Coal	2,356'	+3,607'
Tunnunk	2,478'	+3,485'
T.D.	2,577'	+3,386'

3. Producing Formation Depth:

Formation objective includes both the #1 and #5 Coal.

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Grade Size Weight/Ft.</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	8 5/8 24	J-55/STC/8rd	300	New
7 7/8	5 1/2 17	L-80/STC/8rd	T.D.	New

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
8 5/8	Premium Plus 2% Calcium Chloride .25 lb/sk. Cello Flake	135 sks. +/-	1.19 cu. ft./sk.	15.6 lbs./gal.
5 1/2 Lead. (1,883-1,383')	50/50 Pozmix 10% Cal Seal 2% Calcium Chloride .25 lb/sk. Cello Flake 8%Gel	60 sks. +/-	1.89 cu. ft./sk.	12.7 lbs./gal.
Tail (T.D.-1,883')	Thixotropic 10% Cal Seal 1% Calcium Chloride	120 sks. +/-	1.6 cu. ft./sk.	14.2 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 2000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-300	Clear Water	----	No Control	Water/Gel
300-T.D.	8.4-8.6	30	8-10	Water/Gel

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

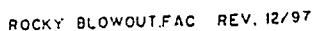
- | | | | |
|----|-----------|--|-------------------|
| a) | Test: | None are anticipated. | |
| b) | Coring: | There is the possibility of sidewall coring. | |
| c) | Sampling: | Every 10' from 1,800' to T.D. | |
| d) | Logging: | Type | Interval |
| | | Array Induction-Gamma Ray-SP-Caliper | T.D. to Surf. Csg |
| | | High Resolution Spectral Density-PEF | T.D. to Surf. Csg |
| | | Compensated Neutron, Microlog | T.D. to Surf. Csg |

9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

The anticipated starting date is April 15, 2000. Duration of operations expected to be 3 days.



MARATHON OIL CO.
13 POINT SURFACE USE PLAN
FOR WELL
MARATHON OIL COMPANY
SITLA 14-23
LOCATED IN
SW 1/4, SW 1/4
SECTION 23, T. 15 S., R. 9 E., S.L.B.&M.
CARBON COUNTY, UTAH
LEASE NUMBER: ML-48232
SURFACE OWNERSHIP:
STATE OF UTAH
SCHOOL AND INSTATUTIONAL TRUST LANDS ADMINISTRATION

1. Existing Roads

To reach the **Marathon Oil Co. SITLA 14-23, in Section 23, T15S, R15E**, from Price, Utah:

Starting in Price, Utah proceed south on State Highway 10. Proceed 7.8 miles and turn right (west) on County Road 122. Proceed 2.8 miles, turn right (north) on an existing paved road. Proceed .7 miles. Turn right (east) on an existing oil field access road. Proceed .1 miles. Follow the flagged road .3 miles to the proposed SITLA 32-27 location. The proposed access will start at this point.

All existing roads to this point are State or County Class D roads.

Upgrading and new construction will start at this point.

Please see the attached map B for additional details.

2. Planned access road

The proposed location will require approximately **.7 miles +/- (3,696 feet) of new road construction.**

The road will be upgraded and built to the following standards:

A) Approximate length	3,696 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil & crushed gravel

E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	

State of Utah, SITLA

L) All new construction on lease	Yes
M) Pipe line crossing	None
O) Stream crossings	None
P) Low water crossing	Four

Please see the attached location Map B for additional details.

A right of way will not be required for the proposed location.

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

A) Producing well	Four Sec. 23, 26, T15S, R9E
B) Water well	None
C) Abandoned well	None
D) Temp. abandoned well	None
E) Disposal well	One Sec. 28, T15S, R9E
F) Drilling/Permitted well	Four Sec. 22, 27 & 23, T15S, R9E
G) Shut in well	None
H) Injection well	None
I) Monitoring or observation well	None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities, and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Juniper Green** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required **paint** color is **Juniper Green**.

No tanks will be required at the location.

A dike will be constructed around the whole location.

If the well is capable of economic production a gas gathering line, a produced water line electric cable will be required. All lines will be buried.

A. Produced Water Line

The proposed produced water lines will be constructed from the subject well to a proposed water disposal well in Sec. 23, T15S, R9E. A tie in will be made with the water line from the proposed SITLA #34-22 well location in Sec. 22, T15S, R9E. Please see the attached produced water pipeline map.

Approximately 2,800' of 12" or smaller plastic/fiberglass gathering line would be constructed on State of Utah SITLA lands.

The Operator proposes burring the line 4 feet below the surface.

B. Gas Gathering Line

The Operator proposes building approximate 2,800 feet of plastic 14" or smaller gas gathering line. The line will start at the proposed location and be constructed to a tie in to a proposed line serving the proposed SITLA 34-22 in Section 22, T15S, R9E. Please see the attached gas gathering line map.

The proposed gas gathering line will be a low pressure plastic line. The line will be buried in the same trench used to install the produced water line as previously described.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated in place prior to any deliveries. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

Pipeline construction and seeding.

Silt controls will be used to minimize silt entry into Miller Creek. Controls will include but not be limited to the following, silt catchment ponds, plastic dikes and the use of straw bails.

Sand bedding may be required to protect water and gas lines in rocky areas. The sand will come from an off sight location.

The gas and water lines will be buried. A track hoe or backhoe will be used to dig a trench approximately as wide as the bucket used to dig the trench and as deep as 4 feet. Trees will be removed as required for the trenches. The topsoil will be removed from the road and pipeline and wind rowed along the side of the road and pipeline. A motor grader will be used to remove the topsoil. Topsoil will be replaced as soon as the trench has been back filled. Seed will be spread when the topsoil is replaced.

C. Electrical Power Cable.

The operator proposes installation of a power line at some time in the future. Currently Utah Power is not able to install or supply power for this well. Power should be available in the next year or two. The power cable will be installed in a trench on the opposite side of the road from the gas gathering line and the produced water line. Please see the attached power cable map. The line will be installed in a trench dug with a backhoe. The width will be the width of a bucket and 4' deep. The trench will be back filled as soon as the line has been installed. The disturbed area will be reseeded as soon as the trench is back filled. The seed mix will be as specified by the Utah Division of Oil Gas and Mining. Erosion controls will be the same as listed for the water and gas gathering trench.

5. Location and type of water supply

Water for drilling and cementing the subject well will be trucked from **Price Cities water tank on Highway 10.**

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 8 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank, for a period not to exceed 90 days after initial production. Produced water after the initial production will be piped to a proposed water injection well in Section 23, T15S, R9E.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the drilling and work over rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout and location.

The proposed location has been staked at 511' FSL, 1,319' FWL. The location has been moved out side the normal drilling window spacing due to the operators attempt to stay out of the mule deer winter habitat.

Well-site layout

Location dimensions are as follow:

A) Pad length	275 ft.
B) Pad width	190 ft.
C) Pit depth	8 ft.
D) Pit length	80 ft.
E) Pit width	50 ft.
F) Max cut	5.9 ft.
G) Max fill	3.4 ft.
H) Total cut yds.	5,470 cu. yds.
I) Pit location	south side
J) Top soil location	west end
K) Access road location	west end
L) Flare pit	corner C

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- a) Thirty nine inch net wire shall be used with at least one strand of wire on top of

the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

- b) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- c) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- d) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- e) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location, road and pipeline and the pit area. The topsoil removed and piled will amount to approximately 1,000 cubic yards of material on the location. **Topsoil will be stockpiled in one distinct pile for the location and wind rowed along side the pipeline for soil from the road and pipeline.** Placement of the topsoil is noted on the attached location plat. **The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix provided by the Utah Division of Oil Gas and Mining.** When all drilling and completion activities have been completed and the pit and pipeline trench back-filled the topsoil will be spread. **The disturbed area will be seeded when the topsoil has been spread.** The unused portion of the

location (the area outside the dead men) will be recontoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled.

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rainfall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

Seed will be spread when the topsoil is stock piled and when reclamation work is performed.

B) Seed Mix

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

The seed mix and quantity required will be provided by the State of Utah Division of Oil Gas and Mining

11. Surface ownership:

Access road	State of Utah, SITLA
Location	State of Utah, SITLA
Pipeline	State of Utah, SITLA

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sagebrush, Rabbit brush, Bitter brush and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwellings or other facilities within a one mile radius of the location.

C) Archeology:

The location has not been surveyed. The surveys have been scheduled and copy of the surveys will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is Miller Creek 700 feet south of the location.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without the Division of Wildlife Resources approval.

F) Notification:

The Division of Wildlife Resources and the Division of Oil and Gas will be notified as follows.

a) **Location construction**

At least forty eight (48) hours prior to construction of location and access roads

b) **Location completion**

Notification will be given 24 hr prior to moving the drilling rig on location.

c) **Spud notice**

At least twenty-four (24) hours prior to spudding the well.

d) **Casing string and cementing**

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) **BOP and related equipment tests**

At least twenty-four (24) hours prior to initial pressure tests.

f) **First production notice**

Within five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.

g) **Completion and work over**

At least twenty-four (24) hours prior to moving the rig on location.

Division of Wildlife Resource
434-636-0260

Division of Oil, Gas, and Mining.
801-538-5340

H) Flare pit:

The flare pit will be located in corner C of the reserve pit out side the pit fence and 100 feet from the bore hole on the **west side of the location**. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan

Rocky Mountain Consulting
350 South 800 East
Vernal, Utah 84078

Office	435-789-0968
Fax	435-789-0970
Cellular	435-828-0968

All lease operations will be conducted in such a manner that full compliance is made with all applicable laws and regulations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by **Marathon Oil CO.** and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date Feb. 15, 2000

A handwritten signature in cursive script, reading "William A. Ryan".

William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Date:

Statement of use of Hazardous Material

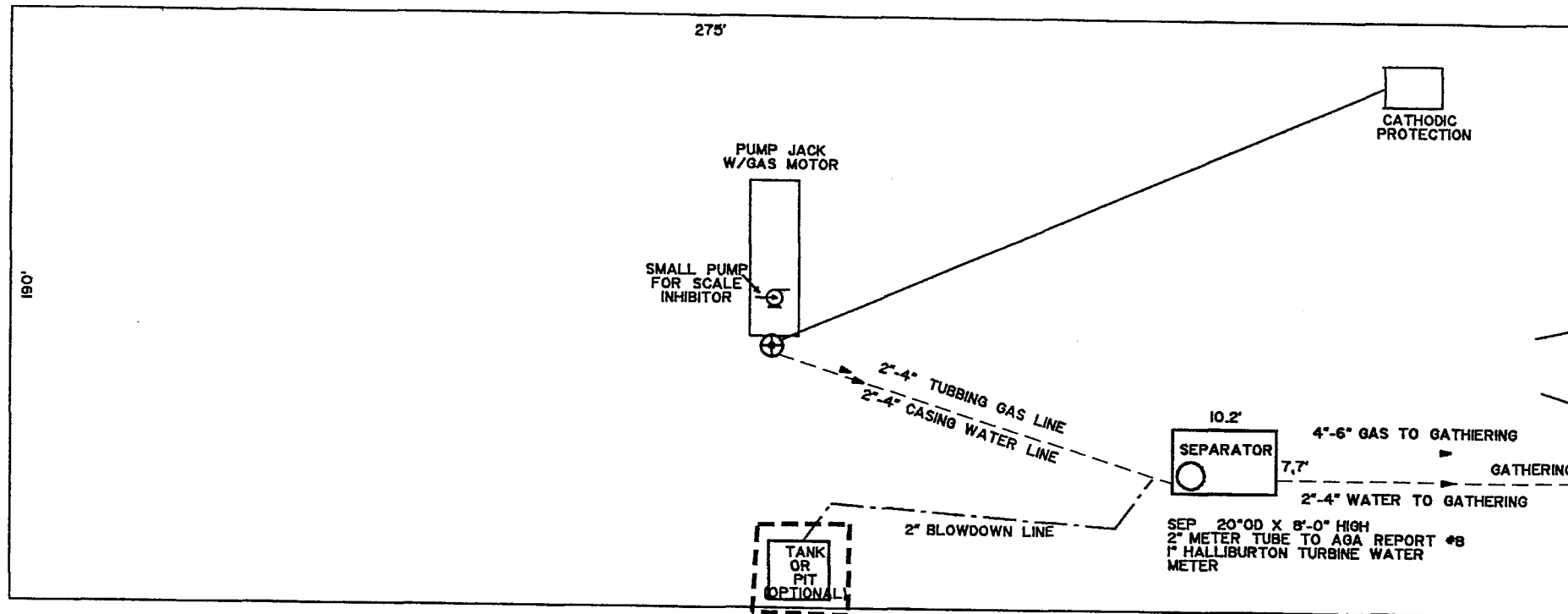
No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986.

Will be used, produced, transported, stored, disposed, or associated with the proposed action, No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

If you require additional information please contact:

William A Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal Utah, 84078

Telephone
(435) 789-0968 office
(435) 828-0968 cellular
(435) 789-0970 fax



MARATHON OIL COMPANY
ROCKY MOUNTAIN REGION
DRUNKARD'S WASH
CARBON COUNTY, UTAH

TYPICAL FACILITY

NOT TO SCALE

01/00

MARATHON OIL CO. - OPERATOR
SUBJECT TO MARATHON'S SITE
SECURITY PLAN LOCATED AT THE
SUPERINTENDENT'S OFFICE

Approvals:

Production Foreman

Operations Superintendent

LEGEND

- OIL/CONDENSATE
- EMULSION
- RECYCLE/REJECT
- WATER OFF & DRAIN
- GAS FUEL
- GAS OFF
- RUPTURE
- POP OFF
- ⊗ VALVE
- A, B, C, etc. SEALED VALVES
- M METER

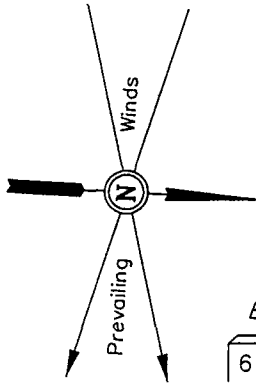
[] SPCC DIKES

PUT typical.fac

MARATHON OIL CO.

LOCATION LAYOUT FOR

SITLA #14-23
SECTION 14, T15S, R9E, S.L.B.&M.
511' FSL 1319' FWL



Proposed Access Road

Low Water Crossing Required

C-5.9'
El. 61.0'

C-4.0'
El. 59.1'

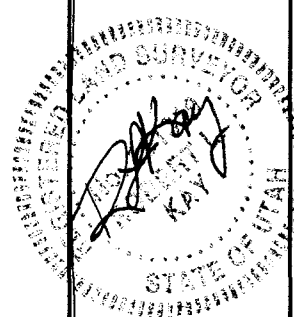
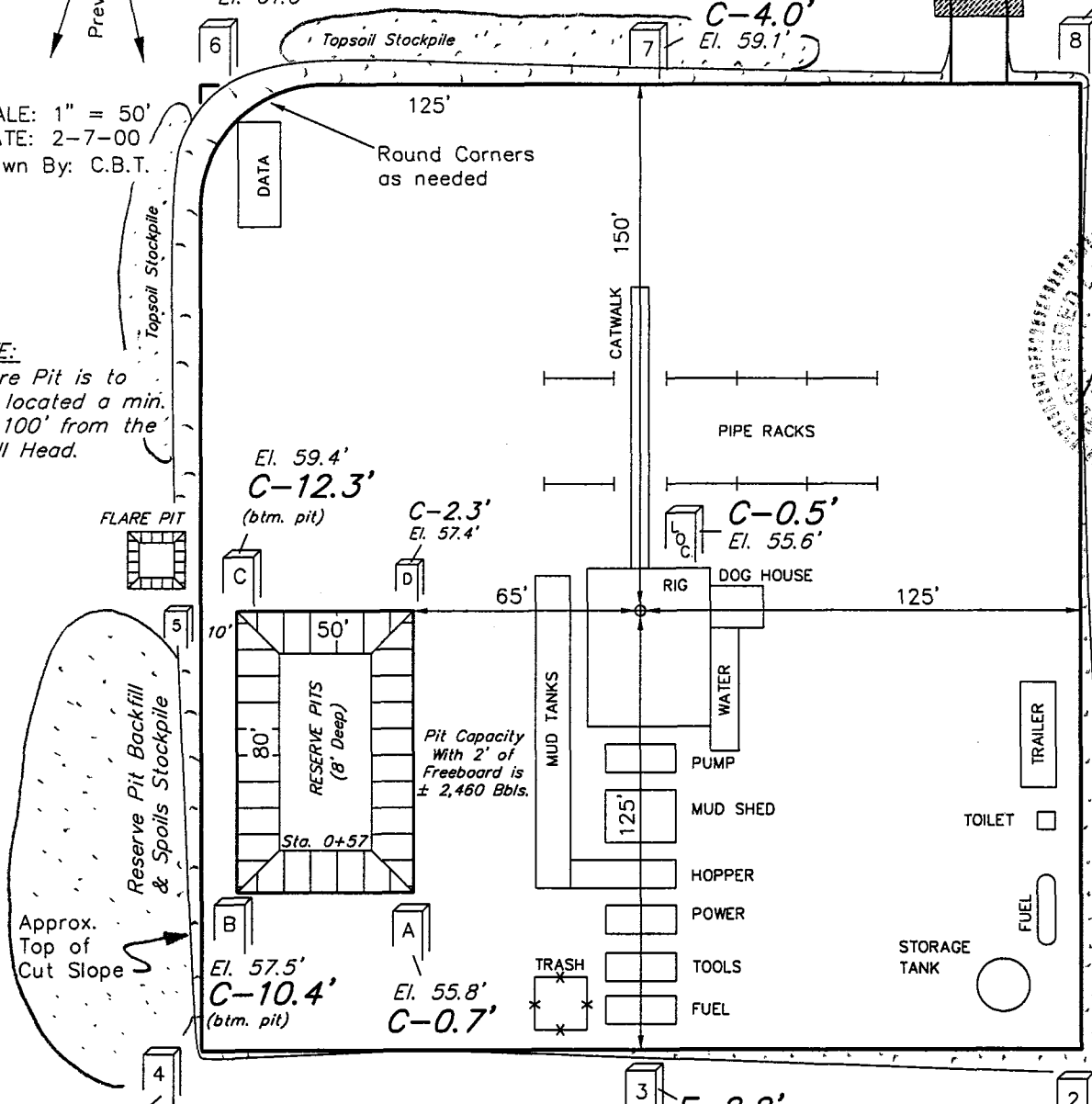
C-2.1'
El. 57.2'

Sta. 2+75

SCALE: 1" = 50'
DATE: 2-7-00
Drawn By: C.B.T.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



Sta. 1+25

F-1.1'
El. 54.0'

Approx. Toe of Fill Slope

Sta. 0+00

F-2.2'
El. 52.9'

F-3.4'
El. 51.7'

Elev. Ungraded Ground at Location Stake = 5955.6'
Elev. Graded Ground at Location Stake = 5955.1'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

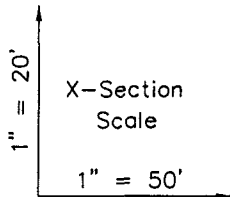
MARATHON OIL CO.

TYPICAL CROSS SECTIONS FOR

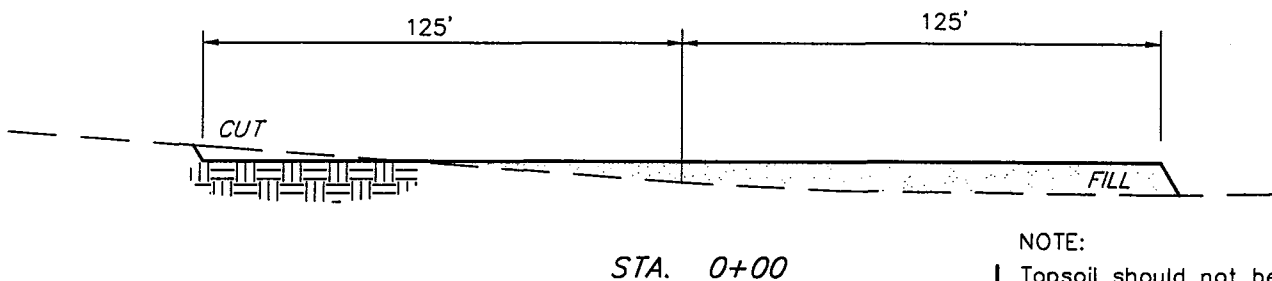
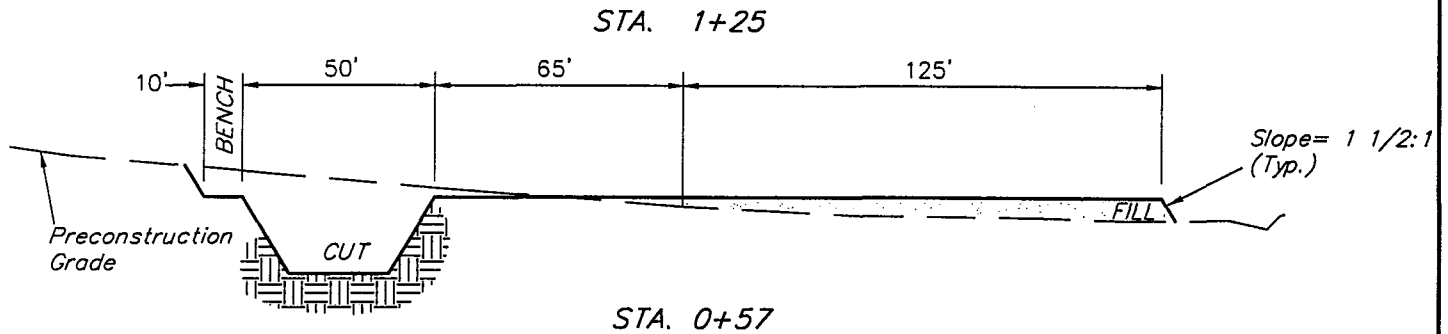
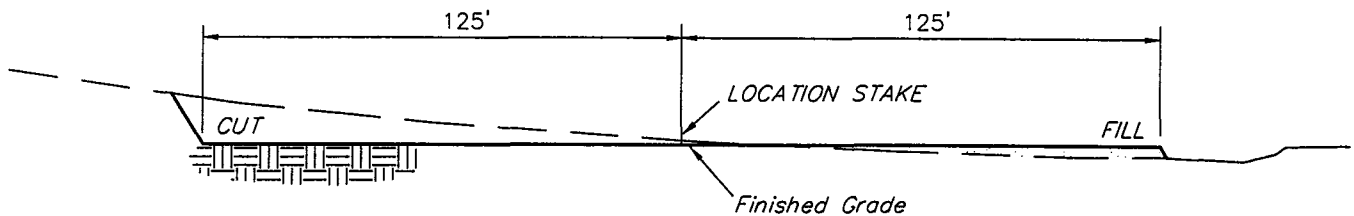
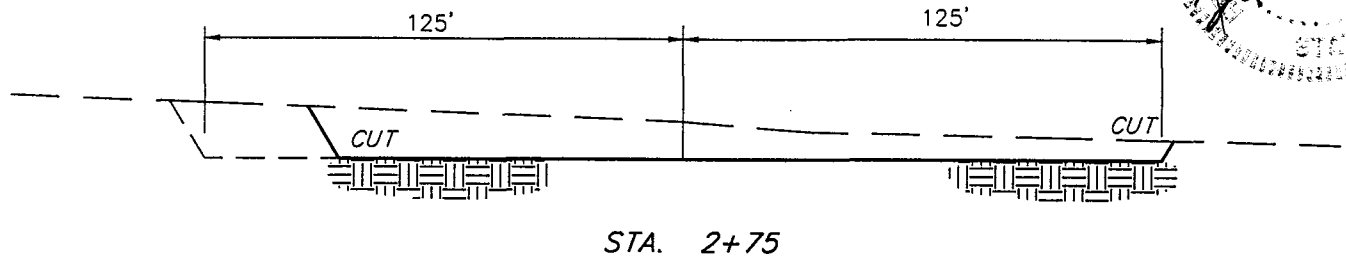
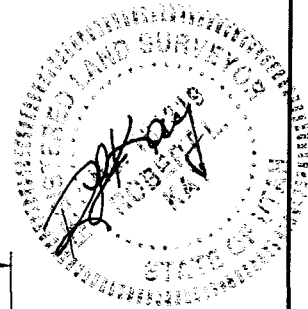
SITLA #14-23

SECTION 14, T15S, R9E, S.L.B.&M.

511' FSL 1319' FWL



DATE: 2-7-00
Drawn By: C.B.T.



NOTE:

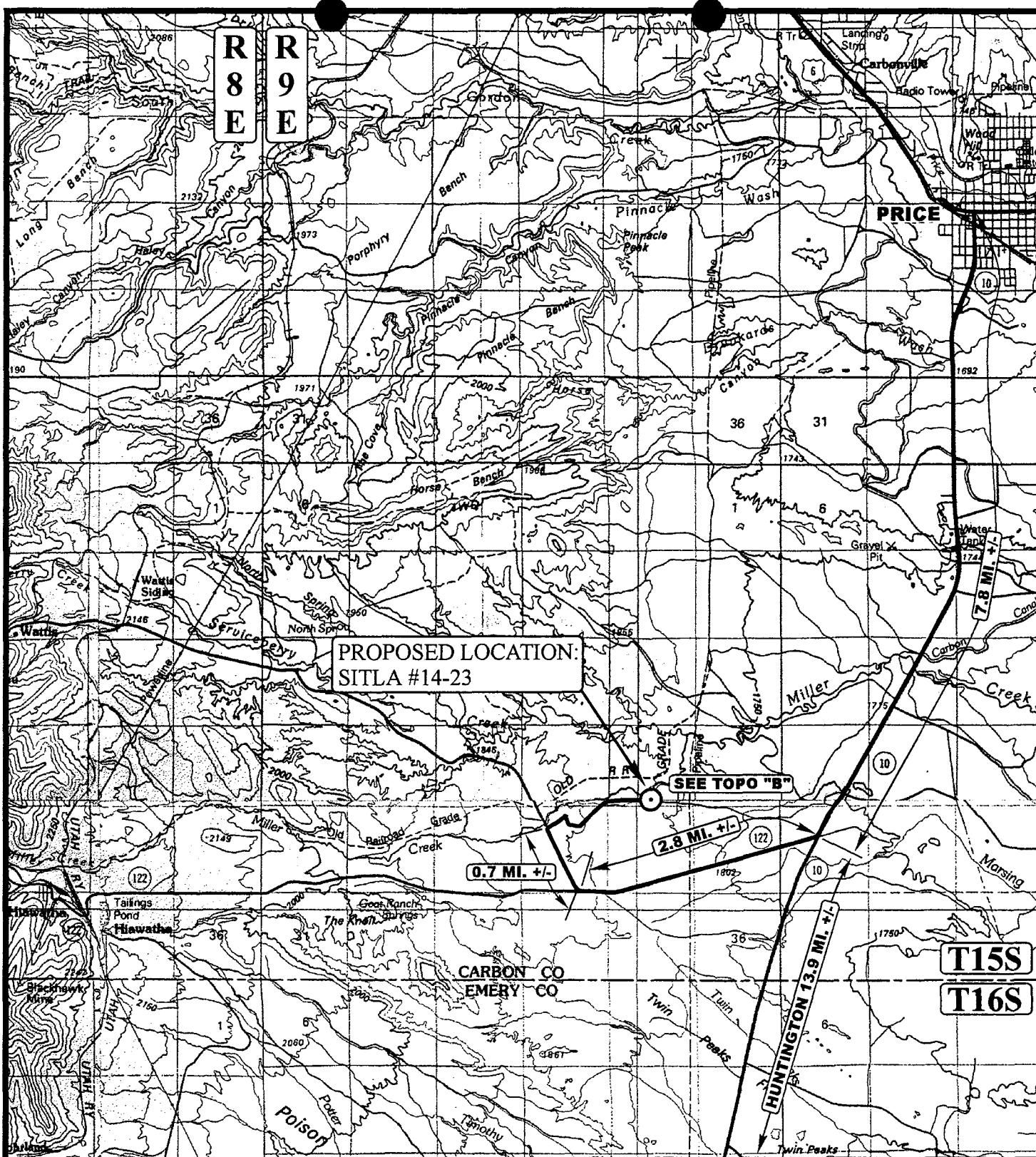
Topsoil should not be Stripped Below Finished Grade on Substructure Area.

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,270 Cu. Yds.
Remaining Location	= 4,200 Cu. Yds.
TOTAL CUT	= 5,470 CU.YDS.
FILL	= 1,740 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,640 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,660 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 1,980 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

MARATHON OIL CO.

SITLA #14-23

SECTION 23, T15S, R9E, S.L.B.&M.

511' FSL 1319' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

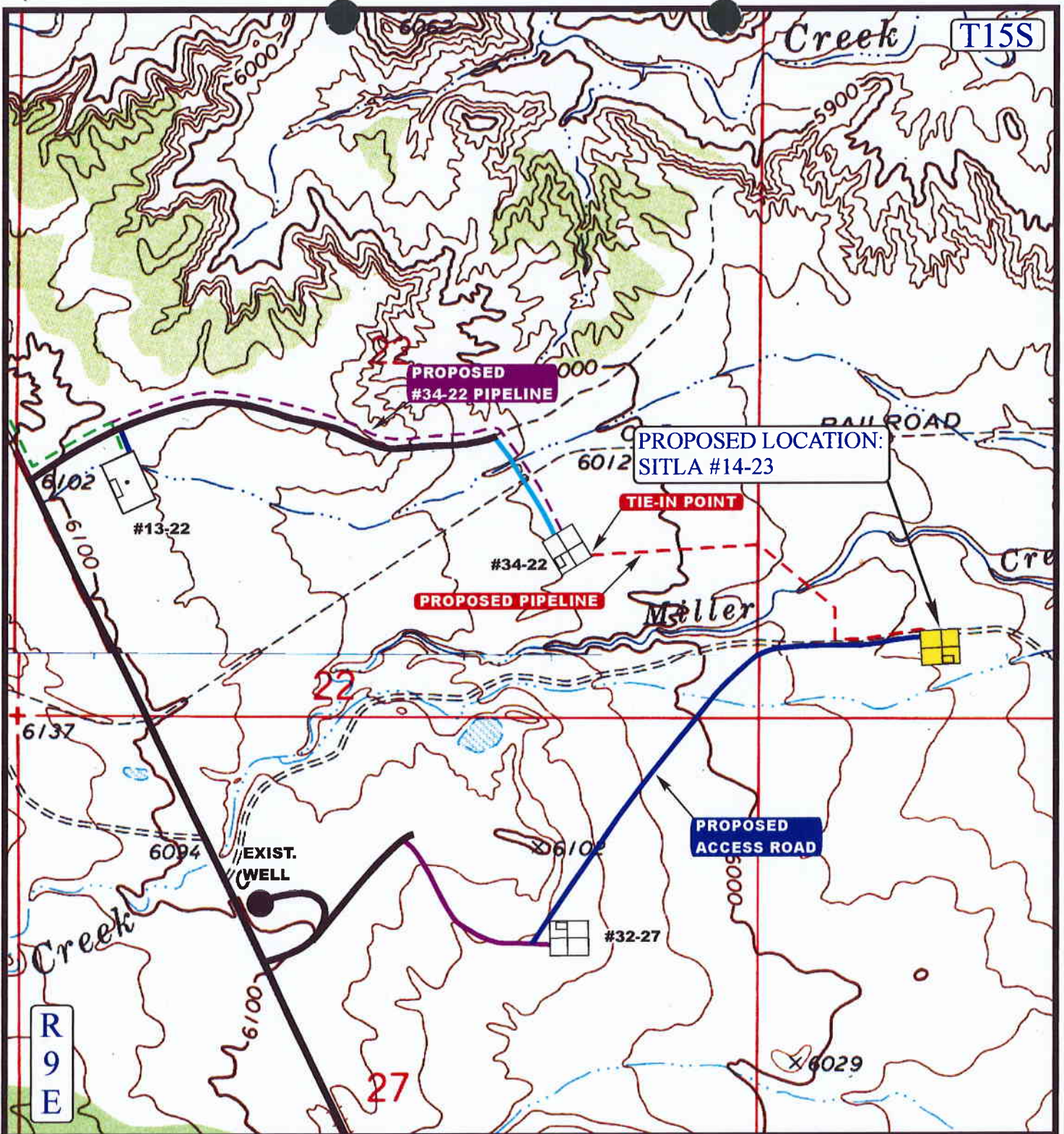


TOPOGRAPHIC
MAP

12 20 99
MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 2-7-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2800' +/-

LEGEND:

- EXISTING PIPELINE
- - - PROPOSED PIPELINE
- PROPOSED ACCESS



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



MARATHON OIL CO.

SITLA #14-23
SECTION 23, T15S, R9E, S.L.B.&M.
511' FSL 1319' FWL

**TOPOGRAPHIC
MAP**

12 20 99
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 2-7-00





**Marathon
Oil Company**

1501 Stampede Avenue
Cody, WY 82414
Telephone 307/587-4961

RECEIVED
APR 17 2000

April 11, 2000

TO WHOM IT MAY CONCERN
(See Exhibit 'A')

Re: Application for Exception Well Location
SITLA Lease # ML-48232
SITLA #14-23 Section 23-15S-9E
Drunkard's Wash Field
Carbon County, Utah

RECEIVED

MAY 11 2000

DIVISION OF
OIL, GAS AND MINING

Gentlemen:

In accordance with Rule R649-3-3 of the General Rules and Regulations of the Board of Oil, Gas and Mining, Marathon Oil Company requests a waiver for permission to drill the SITLA #14-23 for the purpose of Coalbed Methane production at a surface location 511' FSL, 1319' FWL, Section 23, T15S, R9E, S.L.M., in Carbon County, Utah. Marathon will rely on natural drift, which is negligible in this area and anticipates the bottomhole location to be the same as the surface location. Marathon's lease is adjacent to the Drunkard's Wash Unit and the SITLA #14-23 well will be the responsibility of, and operated by Marathon.

The SITLA #14-23 well location was originally proposed at a "Legal" location and was moved the least amount of distance as possible from the original location to the present location due to archaeological concerns identified during the cultural resource inventory dated March 13, 2000.

If you have no objections to the granting of this Application, please sign below and return this page to Marathon Oil Company in the enclosed self addressed envelope.

Sincerely,

Marathon Oil Company

R. P. Meabon
Regulatory Coordinator
Rocky Mountain Region
307-527-3003

WAIVER

Company Name: **TEXACO EXPLORATION AND PRODUCTION INC.**

Print Name: **DOROTHY A. BRELIH**

Signature:

Date: 5/4/00

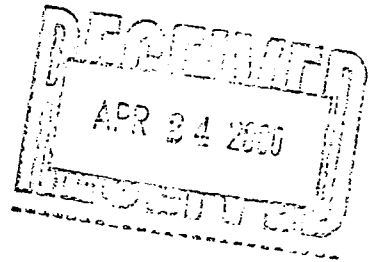


**Marathon
Oil Company**

1501 Stampede Avenue
Cody, WY 82414
Telephone 307/587-4961

April 11, 2000

TO WHOM IT MAY CONCERN
(See Exhibit 'A')



Re: Application for Exception Well Location
SITLA Lease # ML-48232
SITLA #14-23 Section 23-15S-9E
Drunkard's Wash Field
Carbon County, Utah

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Sincerely,

Marathon Oil Company

A handwritten signature in cursive script, appearing to read 'R. P. Meabon'.

R. P. Meabon
Regulatory Coordinator
Rocky Mountain Region
307-527-3003

WAIVER

Company Name: RIVER GAS CORPORATION

Print Name: JOSEPH L. STEPHENSON

Signature: A handwritten signature in cursive script, appearing to read 'Joseph L. Stephenson'.

Date: April 27, 2000

Rocky Mountain Region

**Marathon
Oil Company**1501 Stampede Avenue
Cody, WY 82414
Telephone 307/587-4961

April 11, 2000

TO WHOM IT MAY CONCERN
(See Exhibit 'A')Re: Application for Exception Well Location
SITLA Lease # ML-48232
SITLA #14-23 Section 23-15S-9E
Drunkard's Wash Field
Carbon County, Utah

Gentlemen:

In accordance with Rule R649-3-3 of the General Rules and Regulations of the Board of Oil, Gas and Mining, Marathon Oil Company requests a waiver for permission to drill the SITLA #14-23 for the purpose of Coalbed Methane production at a surface location 511' FSL, 1319' FWL, Section 23, T15S, R9E, S.L.M., in Carbon County, Utah. Marathon will rely on natural drift, which is negligible in this area and anticipates the bottomhole location to be the same as the surface location. Marathon's lease is adjacent to the Drunkard's Wash Unit and the SITLA #14-23 well will be the responsibility of, and operated by Marathon.

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If you have no objections to the granting of this Application, please sign below and return this page to Marathon Oil Company in the enclosed self addressed envelope.

Sincerely,

Marathon Oil Company

R. P. Meabon
Regulatory Coordinator
Rocky Mountain Region
307-527-3003WAIVERCompany Name: Dominion Reservoirs - UtahPrint Name: Jeffrey A. Chadwick

Signature:

Date: 5/2/00Leap\SLC\114824.2
04/11/00

EXHIBIT "A"

Request for Waiver of Marathon Oil Company
For Permission to Drill SITLA #14-23
For Production at a Surface Location 511 Feet From
the South line and 1319 Feet From the West Line
of Section 23, Township 15 South, Range 9 East,
S.L.M., Carbon County, Utah, in accordance with
R649-3-3.

The following named persons and corporations constitute all the owners (as defined in the Utah Oil and Gas Conservation Act and corresponding regulations) and other potentially interested persons with leases adjacent to the SITLA #14-23 well described in the Application to which this Affidavit is attached, to wit:

Marathon Oil Company
1501 Stampede Avenue
Cody, Wyoming 82414-4721

River Gas Corporation
511 Energy Center Blvd.
Northport, Alabama 35476

Texaco Exploration &
Production, Inc.
P.O. Box 2100
Denver, Colorado 80201

Dominion Reserves-Utah, Inc.
Riverfront Plaza West
West Tower
Richmond, Virginia 23219

The addresses listed after the names of the foregoing owners constitute the last mailing addresses of said owners as far as the Applicant, Marathon Oil Company and the undersigned have been able to ascertain.

cc: John R. Baza
Associate Director
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84114-5801

RECEIVED
MAY 11 2000
DIVISION OF
OIL, GAS AND MINING

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/25/2000

API NO. ASSIGNED: 43-007-30670

WELL NAME: SITLA 14-23

OPERATOR: MARATHON OIL COMPANY (N3490)

CONTACT: BILL RYAN, AGENT

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWSW 23 150S 090E

SURFACE: 0511 FSL 1319 FWL

BOTTOM: 0511 FSL 1319 FWL

CARBON

UNDESIGNATED (2)

LEASE TYPE: 3-State

LEASE NUMBER: ML-48232

SURFACE OWNER: 3-State

PROPOSED FORMATION: FRSD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	<i>RSK</i>	3-21-00
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 5922542)
N Potash (Y/N)
N Oil Shale (Y/N) *190 - 5 (B)
☒ Water Permit
(No. MUNICIPAL)
N RDCC Review (Y/N)
(Date:)
N/A Fee Surf Agreement (Y/N)

LOCATION AND SITING:

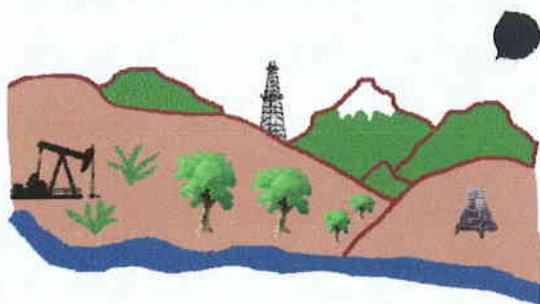
 R649-2-3. Unit
 R649-3-2. General
 Siting:
☒ R649-3-3. Exception
☒ Drilling Unit
Board Cause No: 243-1 (160')
Eff Date: 10-13-98
Siting: Lead to Dr. Unit Boundary E. 1320' between wells.
 R649-3-11. Directional Drill

COMMENTS:

Need Presite. (Conducted 3-9-00)
Need add'l info. "Ex Loc 1243-1". (Rec'd 5-11-00)

STIPULATIONS:

① Statement of Basis.



Utah Oil Gas and Mining

Serving the Industry, Protecting the Environment

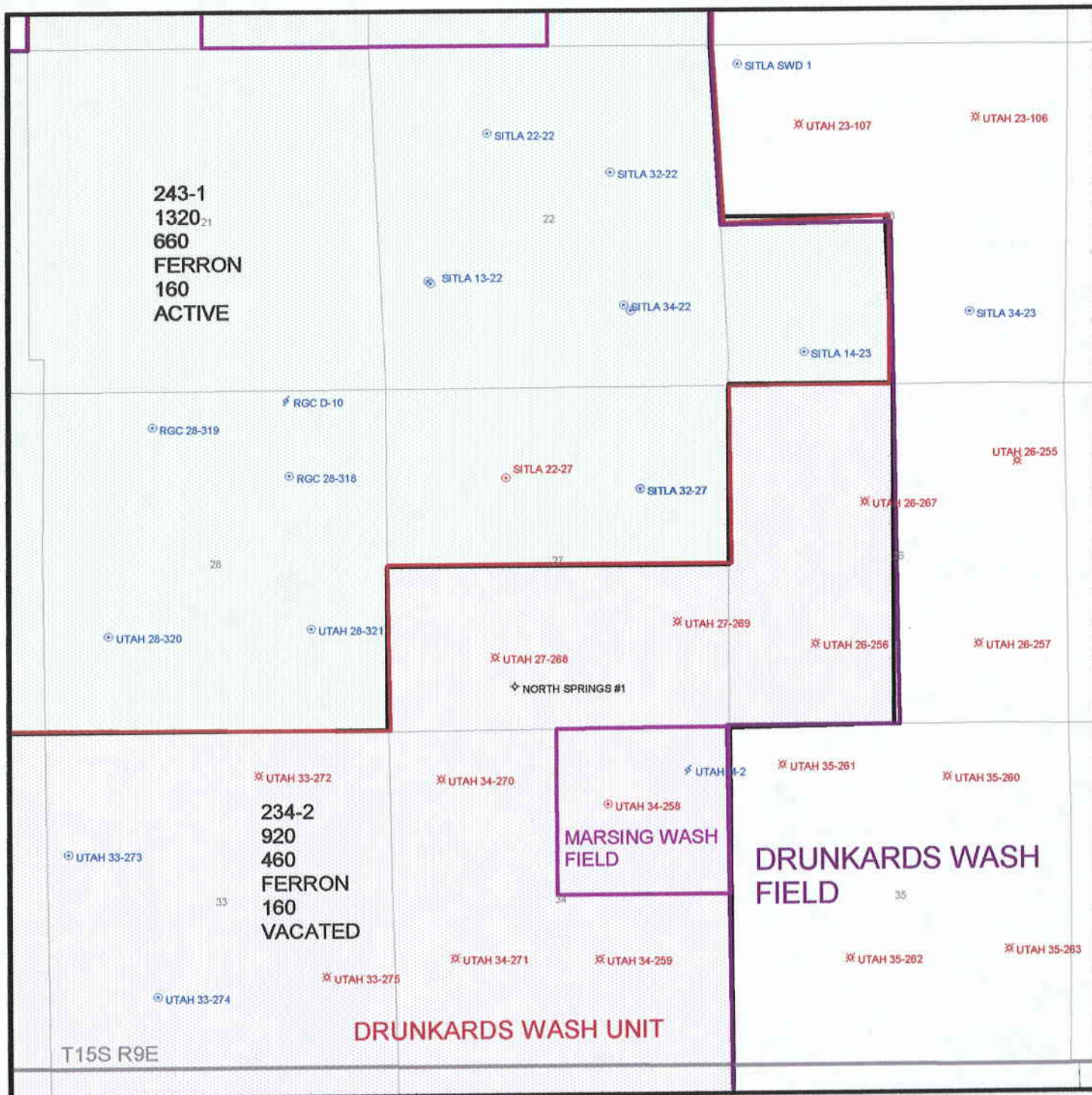
OPERATOR: MARATHON OIL COMPANY (N3490)

FIELD: UNDESIGNATED (002)

SEC. 23 & 27, T 15 S, R 9 E

COUNTY: CARBON CAUSE NO: 243-1

UNIT: DRUNKARDS WASH



PREPARED
DATE: 28-Feb-2000

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Marathon Oil Company

WELL NAME & NUMBER: SITLA #14-23

API NUMBER: 43-007-30670

LEASE: SITLA FIELD/UNIT: Drunkards Wash

LOCATION: 1/4, 1/4 SWSW Sec: 23 TWP: 15 S RNG: 9 E 1319 FWL 511 FSL

LEGAL WELL SITING: 660'F SEC. LINE; 660'F 1/4, 1/4 LINE; 1320'F ANOTHER WELL.

GPS COORD (UTM): X = 509813; Y = 4372074

SURFACE OWNER: SITLA

PARTICIPANTS

C. Kierst (DOGM), C. Colt (DWR), B. Ryan (Rocky Mtn. Consulting), D. Kay (U.E.L.S.), Randy Meabon (Marathon), D. Wilcox (Nielson Construction, C. Arterbery (drilling consultant)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Western margin of Colorado Plateau/~7 miles east of the base of Wasatch Plateau. The location is on Quaternary Slope Wash covering the westward-dipping Blue Gate Member of the Mancos Shale (below the Garley Canyon Beds). The pad is on ground which slopes gently to east northeast. The pad is ~1 mile northeast of the intersection of the Wattis Highway and State Highway 122. It is located on an open plain ~750' south of Miller Creek. Igneous intrusive dikes having surface expression are in the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 275' X 250' pad with 80' X 50' X 8' inboard pit, ~0.7 mile of new road from the #32-27 are requested.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 1 DRL status CBM well (Marathon), 2 APD status CBM location (Fleet), 7 PGW status CBM production wells (RGC) and 3 NEW status CBM locations (Marathon).

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Questar gas pipeline ~3/4 mile east of pad (Questar pipeline runs north-south).

SOURCE OF CONSTRUCTION MATERIAL: Material will be borrowed from the pad at the time of construction. Water turnouts and berms will be placed as needed and the road and pad will be graveled as needed. Ancillary gravel needs will be satisfied by the dirt contractor from legally permitted sources. Water will be from the City of Price.

ANCILLARY FACILITIES: none

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill.

No crude oil is expected to be produced. Drilling fluid, completion frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a Marathon-operated salt water disposal well. Used oil from drilling operations and support is hauled to a used oil re-cycler and re-used.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Location is on the south side of Miller Creek, a year-round flowing watercourse. The Price River is about 6.75 miles to the northeast. Miller Creek is about 750' north.

FLORA/FAUNA: Sagebrush, juniper, rabbit brush bitter brush and indian rice grass / birds, lizards, coyotes, rodents, raptors, elk, deer, reptiles.

SOIL TYPE AND CHARACTERISTICS: Moderately-permeable silty soil on Quaternary Slope Wash. (SM)

SURFACE FORMATION & CHARACTERISTICS: Quaternary Slope Wash on the Blue Gate Shale Member (below Garley Canyon Beds) of Mancos Shale.

EROSION/SEDIMENTATION/STABILITY: Ground slopes gently to the northeast into the Miller Creek drainage. Stable.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner

SURFACE RESTORATION/RECLAMATION PLAN

As per State surface agreement.

SURFACE AGREEMENT: Agreement filed with State.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed but not yet filed with the State.

OTHER OBSERVATIONS/COMMENTS

Exception location. No DWR concerns are noted at this location.

ATTACHMENTS:

4 Photos were taken of this location. (14-17)

Chris Kierst
DOGM REPRESENTATIVE

9-March-2000 12:07 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score

15

(Level II Sensitivity)

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

Operator Name: Marathon Oil Company

Name & Number: SITLA #14-23

API Number: 43-007-30670

Location: 1/4, 1/4 SWSW Sec. 23 T. 15 S R. 9 E **County:** Carbon

Geology/Ground Water:

The surficial Slope Wash is expected to be thin. No high quality ground water is expected to be encountered. The proposed casing and cement program will adequately isolate any zones of water penetrated.

Reviewer: C. Kierst **Date:** 3/17/2000

Surface:

The silty, moderately-permeable soil is developed on a slope wash derived from Quaternary / Tertiary Pediment Mantle covered bluffs protecting erosional remnants of the Blue Gate Member of the Mancos Shale. The nearest moving surface waters are 750' north in Miller Creek. Pit integrity will be maintained by the use of a synthetic liner. There are no nearby culinary or irrigation water supply wells. The site was photographed and characterized on 3/9/2000. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The gas and water gathering system (6" poly pipe for produced water) and power follow the approach roadway for about 1100' before heading cross country to the SITLA 34-22.

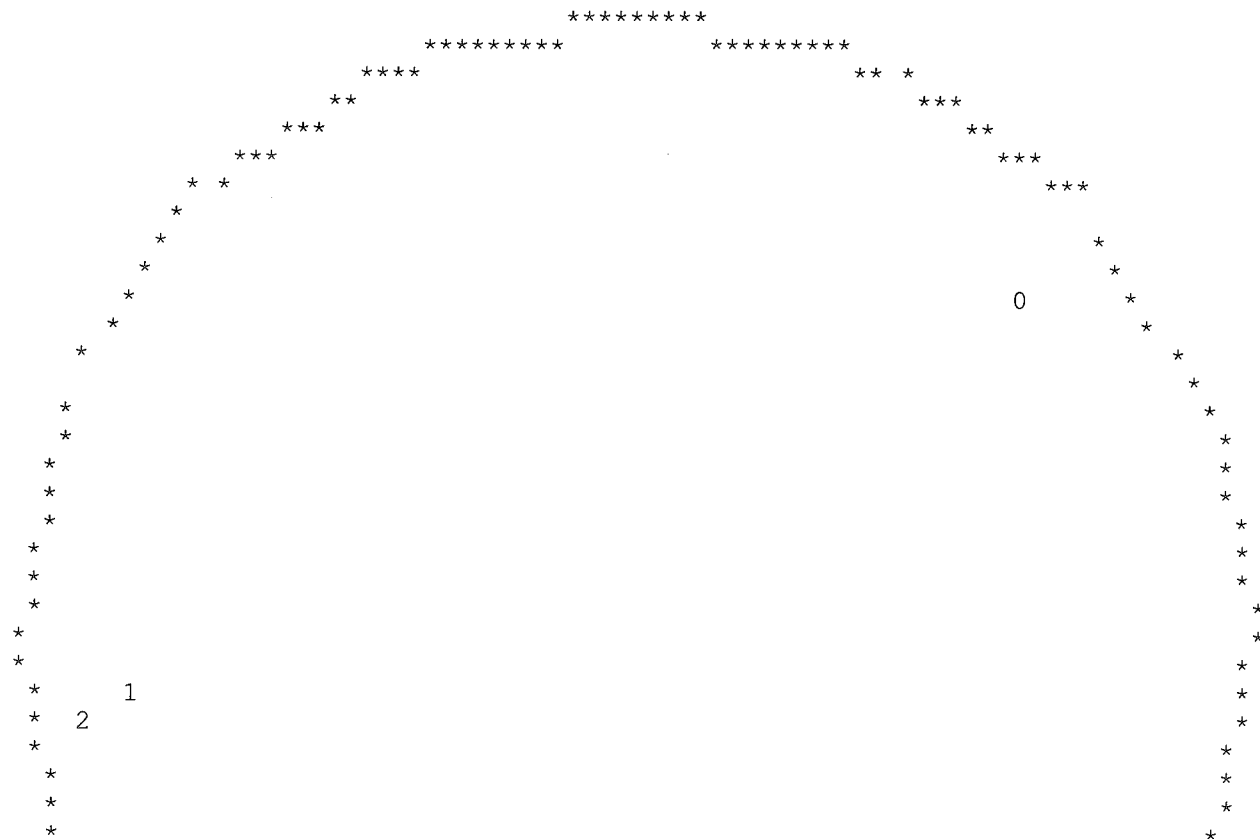
Reviewer: C. Kierst **Date:** 3/17/2000

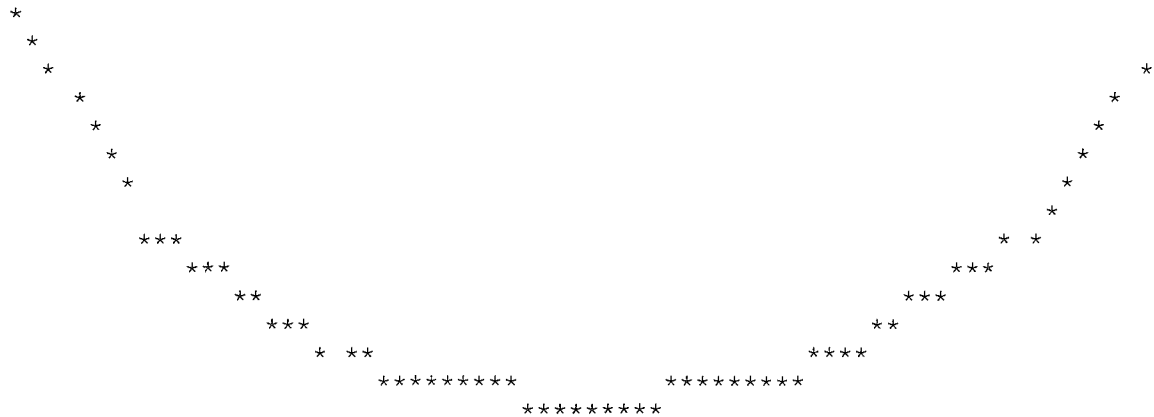
Conditions of Approval/Application for Permit to Drill:

- 1) Culverts sufficient to manage expected runoff, standing and surface water shall be installed in crossed drainages.
- 2) Berm location and pit.
- 3) Minimum 12 mil synthetically lined pit and blooie pit.
- 4) Site infrastructure as per drilling location plat.
- 5) Dust abatement will be used while drilling and on access roads.
- 6) 404 Dredge and Fill Permits must be obtained when required or waived by the U.S. Army Corp. of Engineers or their authorized agents for crossings of any watercourses by pipelines or access roads, or prior to any bank or streambed modifications.
- 7) Compliance with terms of the governing EIS.

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 511 FEET, E 1319 FEET OF THE SW CORNER,
SECTION 23 TOWNSHIP 15S RANGE 9E SL BASE AND MERIDIAN

N O R T H





UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY AND/OR	AC-FT	SOURCE DESCRIPTION DIAMETER	or WELL INFO DEPTH	POINT OF DIVERSION YEAR LOG	DESCRIPTION NORTH	EAST	CNR	SEC	TWN	RNG	B&M
0	91 2136	.0000		.00	Miller Creek									
		WATER USE(S): STOCKWATERING								PRIORITY DATE: 00/00/18				
		State of Utah School & Institutional Tru 675 East 500 South, Suite 500												Salt Lake City
0	91 2405	.0000		.00	Miller Creek									
		WATER USE(S):								PRIORITY DATE: 00/00/18				
		State of Utah School & Institutional Tru 675 East 500 South, Suite 500												Salt Lake City
1	91 4	3.5000		.00	Miller Creek		N	20	W	390	S4	22	15S	9E SL
		WATER USE(S): IRRIGATION STOCKWATERING								PRIORITY DATE: 01/30/19				
		Feichko, Frank H. (Sr) and Carol L. 871 East 6370 South												Price
1	91 56	2.2000		.00	Miller Creek		N	20	W	390	S4	22	15S	9E SL
		WATER USE(S): IRRIGATION								PRIORITY DATE: 04/10/19				
		Feichko, Frank H. (Sr) and Carol L. 871 East 6370 South												Price

1	<u>91 784</u>	.3000	.00 Miller Creek	N	20	W	380	S4 22	15S	9E	SL
		WATER USE(S): IRRIGATION STOCKWATERING							PRIORITY	DATE: 00/00/19	
		Marsing, Orson							Price		
			Route #1								
1	<u>91 4814</u>	.2000	.00 Miller Creek	N	20	W	380	S4 22	15S	9E	SL
		WATER USE(S): IRRIGATION							PRIORITY	DATE: 00/00/19	
		Feichko, Frank H. and Carol L.							Price		
			P.O. Box 458								
2	<u>91 4812</u>	.0000	1000.00 Miller Creek	S	300	E	1885	NW 27	15S	9E	SL
		WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING							PRIORITY	DATE: 03/07/19	
		Feichko, Frank H. Sr. & Carol L.							Price		
			P.O. Box 1436								

Well name:

3-00 Marathon SITLA #14-23Operator: **Marathon**String type: **Surface**

Project ID:

43-007-30670

Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 79 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 160 ft

Cement top: Surface

Burst

Max anticipated surface

pressure: 0 psi

Internal gradient: 0.433 psi/ft

Calculated BHP 130 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 262 ft

Re subsequent strings:

Next setting depth: 1,850 ft

Next mud weight: 8.330 ppg

Next setting BHP: 801 psi

Fracture mud wt: 19.250 ppg

Fracture depth: 1,850 ft

Injection pressure 1,850 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	14.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.55	130	2950	22.72	6	244	38.73 J

Prepared RJK
by: Utah Dept. of Natural Resources

Date: March 21,2000
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

3-00 Marathon SITLA #14-23Operator: **Marathon**String type: **Production**

Project ID:

43-007-30670

Location: **Carbon County****Design parameters:****Collapse**

Mud weight: 8.330 ppg

Design is based on evacuated pipe.

Minimum design factors:**Collapse:**

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No

Surface temperature: 75 °F

Bottom hole temperature: 111 °F

Temperature gradient: 1.40 °F/100ft

Minimum section length: 368 ft

Cement top: Surface

BurstMax anticipated surface
pressure:

0 psi

Internal gradient: 0.433 psi/ft

Calculated BHP 1,115 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)

8 Round LTC: 1.80 (J)

Buttress: 1.60 (J)

Premium: 1.50 (J)

Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 2,251 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2577	5.5	17.00	L-80	LT&C	2577	2577	4.767	88.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1115	6290	5.64	1115	7740	6.94	38	338	8.83 J

Prepared RJK
by: Utah Dept. of Natural ResourcesDate: March 21,2000
Salt Lake City, Utah**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

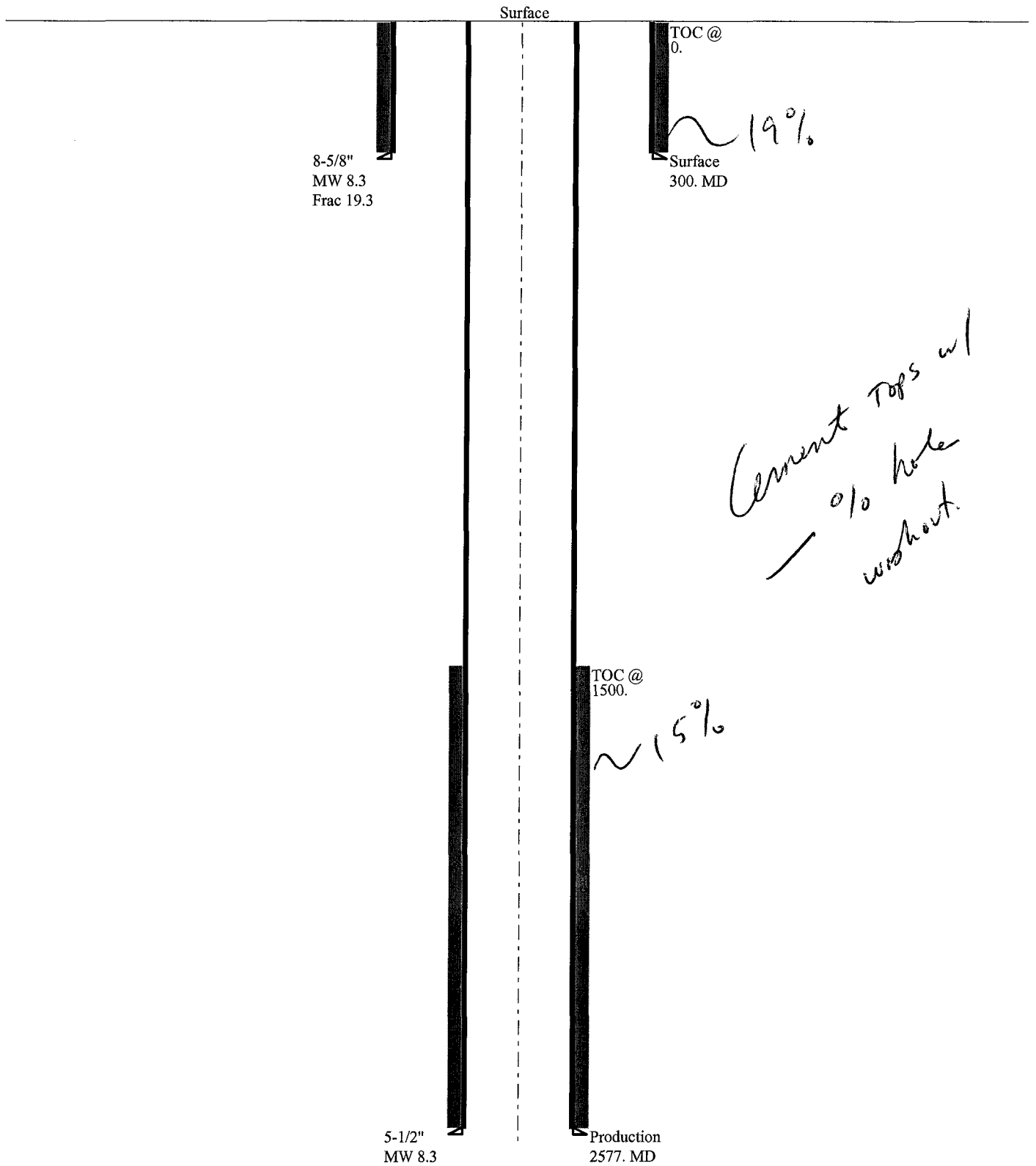
Collapse is based on a vertical depth of 2577 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

3-00 Marathon SITLA #14-23

Casing Schematic





State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

May 15, 2000

Marathon Oil Company
1501 Stampede Avenue
Cody WY 82414

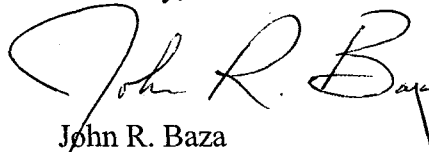
Re: SITLA 14-23 Well, 511' FSL, 1319' FWL, SW SW, Sec. 23, T. 15S, R. 9E,
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the enclosed Conditions of Approval, approval to drill the referenced well is granted.

This approval will expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30670.

Sincerely,


John R. Baza
Associate Director

er
Enclosures

cc: Carbon County Assessor
SITLA

Operator: Marathon Oil Company

Well Name & Number: SITLA 14-23

API Number: 43-007-30670

Lease: ML-48232

Location: SW SW Sec. 23 T. 15S R. 9E

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division of the following actions during drilling of this well:

- . 24 hours prior to cementing or testing casing
- . 24 hours prior to testing blowout prevention equipment
- . 24 hours prior to spudding the well
- . within 24 hours of any emergency changes made to the approved drilling program
- . prior to commencing operations to plug and abandon the well

Division contacts (please leave a voice mail message if the person is not available to take the call):

- . Dan Jarvis at (801)538-5338
- . Robert Krueger at (801)538-5274 (plugging)
- . Carol Daniels at (801)538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE:

5/16/00

FAX #:

307 527-2213

ATTN:

Randy

COMPANY:

Marathon

DEPARTMENT:

NUMBER OF PAGES: (INCLUDING THIS ONE)

5

FROM:

Earlene Russell

If you do not receive all of the pages, or if they are illegible, please call (801)538-5340.
We are sending from a sharp facsimile machine. Our telecopier number is (801)359-3940.

MESSAGES:

Original being hand carried today

Fax

Randy@Marathon

307 527 2213

Important: This message is intended for the use of the individual or entity of which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MARATHON OIL COMPANY

Well Name: SITLA 14-23

Api No.. 43-007-30670 LEASE TYPE: STATE

Section 23 Township 15S Range 09E County CARBON

Drilling Contractor ELLENBURG DRILLING RIG # 15

SPUDDED:

Date 05/29/2000

Time 2:00 PM

How ROTARY

Drilling will commence

Reported by CHUCK WALTER

Telephone # 1-435-820-9667

Date 05/30/2000 Signed: CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT -- for such proposals

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) <u>2</u>		6. Lease Designation and Serial Number ML-48232
2. Name of Operator Marathon Oil Company		7. Indian Allottee or Tribe Name NA
3. Address of Operator 1501 Stampede Ave., Cody, Wyoming 82414	4. Telephone Number 307-527-2211	8. Unit or Communitization Agreement NA
5. Location of Well Footage : 511' FSL, 1319' FWL County : CARBON QQ, Sec, T., R., M : SWSW 23-15S-9E State : UTAH		9. Well Name and Number SITLA # 14-23
10. API Well Number 43-007-30670		11. Field and Pool, or Wildcat DRUNKARD'S WASH
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		

NOTICE OF INTENT
 (Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other _____	SPUD

Date of Work Completion 05/29/2000

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE ABOVE NAMED WELL WAS SPUDDED ON 5/29/00 WITH ELENBURG RIG #15.
 SURFACE CASING WAS PRE-SET TO 332'.

GL: 5956'

KB: 5968'

RECEIVED

JUN 02 2000

**DIVISION OF
 OIL, GAS AND MINING**

CC: WRF,RPM,DRILLING,DTJ,T&C(HOU),MEW

14. I hereby certify that the foregoing is true and correct.

Name & Signature R.P. Meabon  Title Reg. Coord. Date 05/30/00

(State Use Only)

Form 9

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT - for such proposals.</small>		6. Lease Designation and Serial Number ML-48232
		7. Indian Allottee or Tribe Name NA
		8. Unit or Communitization Agreement NA
		9. Well Name and Number SITLA # 14-23 14.23
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) 2		10. API Well Number 43-007-30670
2. Name of Operator Marathon Oil Company		11. Field and Pool, or Wildcat DRUNKARD'S WASH
3. Address of Operator 1501 Stampede Ave., Cody, Wyoming 82414	4. Telephone Number 307-527-2211	
5. Location of Well Footage : 511' FSL, 1319' FWL County : CARBON QQ, Sec. T., R., M. : SWSW 23-15S-9E State : UTAH		
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		

NOTICE OF INTENT
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
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<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
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<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
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<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other _____	SPUD

Date of Work Completion 05/29/2000

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

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THE ABOVE NAMED WELL WAS SPUDDED ON 5/29/00 WITH ELENBURG RIG #15.
SURFACE CASING WAS PRE-SET TO 332'.

GL: 5956'

KB: 5968'

33427

CC: WRF,RPM,DRILLING,DTI,T&C(HOU),MEW

14. I hereby certify that the foregoing is true and correct.

Name & Signature	R.P. Meabon	Title	Reg. Coord.	Date	05/30/00
------------------	-------------	-------	-------------	------	----------

(State Use Only)

(8/90)

See Instructions on Reverse Side

RECEIVED

JUL 03 2000

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

ENTITY ACTION FORM

Operator: Marathon Oil Company
Address: Attn: Michael L. Meyer
539 South Main St.
Findlay, OH 45840

Operator Account Number: N 3490

Phone Number: (419) 421-3217

Well 1

API Number	Well Number		QQ	Sec	Twp	Rng	County
43-007-30563	Sitla 12-16		SW NW	16	15S	9E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	12780	5-26-00			7-6-00	
Comments: <i>000706 entity added</i>							

Well 2

API Number	Well Number		QQ	Sec	Twp	Rng	County
43-007-30670	Sitla 14-23		SW SW	23	15S	9E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	12781	5-29-00			7-6-00	
Comments: <i>000706 entity added.</i> Communization Agreement In Progress.							

Well 3

API Number	Well Number		QQ	Sec	Twp	Rng	County
43-007-30655	Sitla 22-22		SE NW	22	15S	9E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	12782	5-21-00			7-6-00	
Comments: <i>000706 entity added.</i>							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Michael L. Meyer
Name (Please Print) Michael L. Meyer
Signature [Signature]
Supervisor (RMS) _____ Date 6-29-00
Title _____

(6/2000)

RECEIVED

JUL 03 2000

DIVISION OF
OIL, GAS AND MIN'

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals</small>		6. Lease Designation and Serial Number ML-48232																										
		7. Indian Allottee or Tribe Name NA																										
		8. Unit or Communitization Agreement NA																										
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) <u>2</u>		9. Well Name and Number SITLA # 14-23																										
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5. Location of Well Footage : 511' FSL, 1319' FWL County : CARBON QQ, Sec, T., R., M : SWSW 23-15S-9E State : UTAH																												
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																												
NOTICE OF INTENT (Submit in Duplicate) <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input checked="" type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> Approximate Date Work Will Start <u>August 2000</u>		<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input checked="" type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		SUBSEQUENT REPORT (Submit Original Form Only) <table style="width:100%;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> Date of Work Completion _____ <p style="font-size: small;">Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____	
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13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE ABOVE NAMED WELL WAS SPUDDED ON 5/29/00 AND MARATHON PLANS TO PROCEED WITH THE COMPLETION WORK BY AUGUST 1, 2000. DUE TO THE SENSITIVITY OF THE FERRON FORMATION DURING COMPLETION, AND TESTING PHASE AND TO ESTABLISH A STABILIZED WATER AND GAS RATE FOR THE PURPOSE OF ECONOMIC VIABILITY, MARATHON REQUESTS APPROVAL, IN ACCORDANCE WITH R649-3-20.3, APPROVAL TO VENT OR FLARE GAS FROM THE ABOVE NAMED WELL FOR A PERIOD OF 30 DAYS OR 50 MMCF, WHICHEVER IS LESS.

CC: WRF,RPM,DTJ,T&C(HOU),MEW,DRUNKARD'S WASH OFFICE

14. I hereby certify that the foregoing is true and correct.

Name & Signature R.P. Meabon Title Reg. Coord. Date 07/20/00

(State Use Only)

COPY SENT TO OPERATOR
 Date: 7-27-00
 Initials: CRD

The Utah Division of Oil, Gas and Mining
 Robert J. Krueger, PE, Petroleum Engineer

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS <small>Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT -- for such proposals.</small>		6. Lease Designation and Serial Number ML-48232
		7. Indian Allottee or Tribe Name NA
		8. Unit or Communitization Agreement NA
		9. Well Name and Number SITLA # 14-23
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) <u>2</u>		10. API Well Number 43-007-30670
2. Name of Operator Marathon Oil Company		11. Field and Pool, or Wildcat DRUNKARD'S WASH
3. Address of Operator 1501 Stampede Ave., Cody, Wyoming 82414	4. Telephone Number 307-527-2211	
5. Location of Well Footage : 511' FSL, 1319' FWL County : CARBON QQ, Sec, T., R., M : SWSW 23-15S-9E State : UTAH		
12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		

NOTICE OF INTENT
 (Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other	<u>FIRST PRODUCTION</u>

Date of Work Completion 08/20/2000

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.

* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The above named well was placed on production to the sales line at 11:10am on 8/20/2000 at a rate of 725 MCFD.

CC: WRF,RPM,DTJ,T&C(HOU),MEW

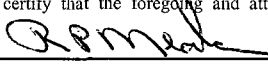
RECEIVED
 AUG 20 2000
 DIVISION OF
 OIL, GAS AND MINING

14. I hereby certify that the foregoing is true and correct.

Name & Signature <u>R.P. Meabon</u>	Title <u>Reg. Coord.</u>	Date <u>08/23/00</u>
-------------------------------------	--------------------------	----------------------

(State Use Only)

**STATE OF UTAH
DIVISION OF OIL, GAS AND MINING**

WELL COMPLETION OR RECOMPLETION REPORT AND LOG						5. LEASE DESIGNATION AND SERIAL NO. <div align="center">ML-48232</div>	
						6. IF INDIAN, ALLOTTEE OR TRIBE NAME <div align="center">NA</div>	
1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> Other _____						7. UNIT AGREEMENT NAME <div align="center">NA</div>	
b. TYPE OF COMPLETION: NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> Other _____						8. FARM OR LEASE NAME <div align="center">SITLA</div>	
2. NAME OF OPERATOR <div align="center">MARATHON OIL COMPANY</div>						9. WELL NO. <div align="center">14-23</div>	
3. ADDRESS OF OPERATOR <div align="center">1501 STAMPEDE AVENUE, CODY, WYOMING 82414</div>						10. FIELD AND POOL, OR WILDCAT <div align="center">DRUNKARD'S WASH</div>	
4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)* At surface <div align="center">511' FSL, 1319' FWL SWSW</div> At top prod. interval reported below At total depth <div align="center">SAME</div>						11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA <div align="center">23-15S-9E</div>	
15. DATE SPUNDED <div align="center">5/23/2000</div>		16. DATE T.D. REACHED <div align="center">5/31/2000</div>		17. DATE COMPL. (Ready to prod.) or (Plug & Abd.) <div align="center">8/20/00</div>		18. ELEVATIONS (DF, RKB, RT, GR, ETC.) <div align="center">5956' GR</div>	
20. TOTAL DEPTH, MD & TVD <div align="center">2607 MD 2607 TVD</div>		21. PLUG BACK T.D., MD & TVD <div align="center">2548 MD 2548 TVD</div>		22. IF MULTIPLE COMPL., HOW MANY* <div align="center">-----></div>		23. INTERVALS ROTARY TOOLS <div align="center">O-TD</div>	
24. PRODUCING INTERVAL(S), OF THIS COMPLETION---TOP, BOTTOM, NAME (MD AND TVD) <div align="center">Ferron Coal at 2257' - 2360' gross</div>						25. WAS DIRECTIONAL SURVEY MADE <div align="center">No</div>	
26. TYPE ELECTRIC AND OTHER LOGS RUN <div align="center">6-9-00 AIT-GR, CNL-LDT-MLT-HRI-GR, CBL-CCL-GR</div>				27. WAS WELL CORED? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> DRILL STEM TEST? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>		(Submit analysis) (See reverse side)	
23. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD		AMOUNT PULLED	
8-5/8"	24	344	11"	140 sxs. Prem AG 300 to surface		0	
5-1/2"	17	2607	7-7/8"	Lead - 85 sxs Prem AG 300 &		0	
				Tailed w/ 180 sxs Thixo			
29. LINER RECORD							
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	30. TUBING RECORD		
None					SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-7/8"	2436'	None
31. PERFORATION RECORD (Interval, size and number)				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.			
INTERVAL	SIZE	NUMBER	DEPTH INTERVAL (MD)		AMOUNT AND KIND OF MATERIAL USED		
2350' - 54' & 2355' - 60'	22.7 gm	38	2350' - 2360'		41,390# 16-30 sd in 22,245 gals 20# gel		
2324' - 31'	22.7 gm	29	2324' - 2331'		50,200# 16-30 sd in 21,570 gals 20# gel		
2237' - 39', 2257' - 66', 2277' - 79'	22.7 gm	55	2237' - 2279'		98,410# 16-30 sd in 34,900 gals 20# gel		
33.* PRODUCTION							
DATE FIRST PRODUCTION <div align="center">8/20/2000</div>		PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) <div align="center">Pumping -- 2-1/2" x 2" x 16' Insert Pump</div>				WELL STATUS (Producing or shut-in) <div align="center">Producing</div>	
DATE OF TEST <div align="center">8/31/00</div>	HOURS TESTED <div align="center">24</div>	CHOKE SIZE	PROD'N. FOR TEST PERIOD <div align="center">-----></div>	OIL--BBL. <div align="center">0</div>	GAS--MCF. <div align="center">742</div>	WATER--BBL. <div align="center">441</div>	GAS-OIL RATIO <div align="center">na</div>
FLOW. TUBING PRESS. <div align="center">85</div>	CASING PRESSURE <div align="center">85</div>	CALCULATED 24-HOUR RATE <div align="center">-----></div>	OIL--BBL. <div align="center">0</div>	GAS--MCF. <div align="center">742</div>	WATER--BBL. <div align="center">441</div>	OIL GRAVITY-API (CORR.) <div align="center">na</div>	
34. DISPOSITION OF GAS (Solid, used for fuel, vented, etc.) <div align="center">Sold</div>						TEST WITNESSED BY <div align="center">Field Supervisor</div>	
35. LIST OF ATTACHMENTS							
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.							
SIGNED 		TITLE <div align="center">REGULATORY COORDINATOR</div>			DATE <div align="center">9/20/00</div>		

See Spaces for Additional Data on Reverse Side

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS: 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

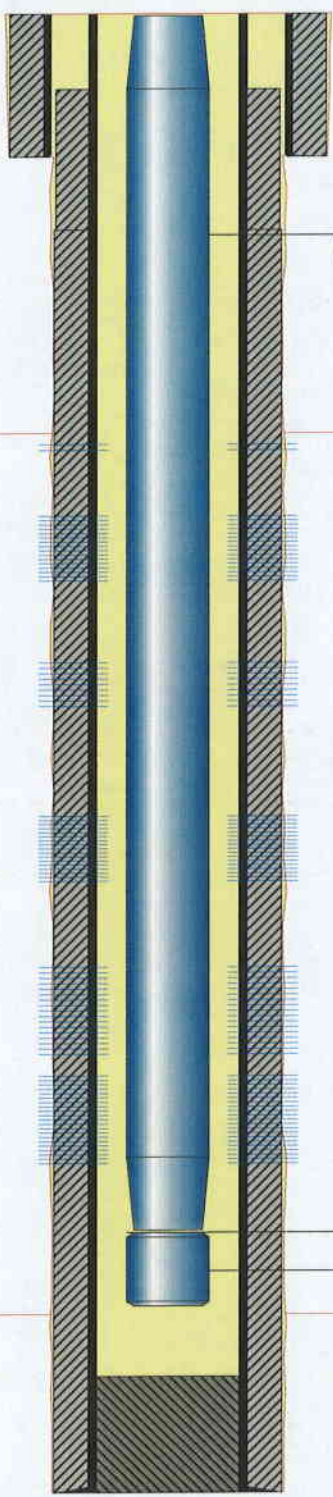
ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES: Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries.				38. GEOLOGIC MARKERS		
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TRUE VERT. DEPTH
				Ferron Tununk	2223 2452	2223 2452

Sitla 14-23

API	43-007-30670	Field Name	Drunkards Wash	Area		Operator	Marathon Oil Company	County	CARBON	State/Province	UTAH
KB Elev (ft)	5968.00	Ground Elev (ft)	5956.00	Casing Flange Elev (ft)		KB-Ground (ft)	12.00	KB-Casing Flange (ft)	12.00	Spud Date	5/23/00

Wellbore: 8/5/00 (KB-Grd: 12.0ft)		
ftKB (MD)	Schematic - Actual	Geology
13		
308		
344		
1135		
2133		
2149		
2238		Ferron, 2,223.0
2257		
2267		
2277		
2280		
2323		
2329		
2349		
2352		
2356		
2359		
2405		
2434		Tununk, 2,452.0
2572		
2605		
2608		

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OIL, GAS AND MINING